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TAGS: [PREL](#) [UY](#)
SUBJECT: NATIONAL PARTY STRENGTHENING IN SWING STATE
MALDONADO

Classified By: Charge d'Affaires Robin Matthewman
for reasons 1.4 (B) and (D)

¶1. (U) Summary: Leading up to the June primaries, Emboffs met with four of the five congressmen from Maldonado, the third-most populous Uruguayan department and the home of Punta del Este, considered by many to be the face of Uruguay, to discuss the department's primary issues and the likely results of this year's presidential vote. All congressmen emphasized the importance of face-to-face campaigning, and the campaign issues of security, investment, and education. Widespread disappointment with the performance of the current governor, ruling coalition Frente Amplista (FA) Oscar de los Santos, leads many to believe that the Maldonado municipal governorship, formerly a National Party stronghold, will return to the National Party following the gubernatorial elections in May 2010. End summary.

All Eyes on Maldonado

¶2. (U) Although the primary elections on June 28 will not change the leadership in Maldonado, voter preferences will be an important indication for the presidential/congressional elections in October. Maldonado voters have not always been a bellwether for Uruguay's political inclinations, but its growing population and its distinct situation of having an extremely unpopular governor from the ruling party are drawing growing attention, especially from the National Party. If the June 28 results indicate, as suspected, a weakening of FA support, it is likely that both leading parties will redouble their efforts in Maldonado. In addition to support for its presidential candidate, the National Party will seek to claim an additional congressional seat.

Background

¶3. (U) Maldonado is the home of world-famous Punta del Este, an Uruguayan resort that attracts millionaires from the region and around the world. International visitors, mostly from Argentina and Brazil, flock to "Punta," seeking not only luxurious hotels and restaurants, but also a place where their children can play on the beach without bodyguards.

¶4. (U) Many Uruguayans are also drawn to Punta del Este and other popular tourist destinations in the department, as their wealth and prestige promise employment opportunities. Whether in service or in construction, Maldonado receives a high level of internal migration, which causes monumental social challenges. Those challenges become especially apparent during the low season, when jobs grow scarce. Maldonado reports 140,192 people (5.4 percent of the population) living in squatter slums, which, in some cases,

border exclusive resorts. This juxtaposition creates favorable conditions for criminal activity.

¶5. (SBU) Previously a National Party stronghold, Maldonado elected a Frente Amplio municipal government in 2005. However, since 2005, large portions of the population and political spectrum has become disenchanted with the Frente Amplio. That disenchantment has been spurred by a lack of funding from the central government for social services, a halt in investment, and an increase in crime, circumstances that run contrary to the glamorous tourism image of the department. Maldonado officials often lament that while the department seems wealthy in comparison to other departments, its costs are high, and they have a disproportionately high tax obligation to the federal government.

Suffering From An Inefficient Municipal Government

¶6. (C) Maldonado is headed by Frente Amplio governor Oscar de los Santos, who won the 2005 municipal elections with 47% support. Frente Amplio congressman Dario Perez notes that de los Santos projected a humble and compassionate image during his campaign, but has since alienated both party members and opposition figures. National Party congressmen Nelson Rodriguez Servetto and Federico Casaretto noted that de los Santos' aloof personality created a communication barrier between the governor's administration and the opposition, leading to a political stalemate in the department.

¶7. (C) All the congressmen who met with Emboffs agreed that de los Santos' lackluster performance has affected

Maldonado's ability to implement investment projects, distribute basic social services to the population, and improve public security. A very tactile example that continues to shock Punta residents and visitors was the decision to switch garbage collection providers at the height of the tourist season. The transition resulted in delayed trash collection and piles of garbage in the streets, leaving tourists with the wrong sort of memories. Both National Party congressmen used this example to emphasize that de los Santos' lack of governing ability was affecting the population's view of the Frente Amplio. They also noted that the new contract resulted in more expensive and inferior garbage collection services for Maldonado.

¶8. (C) Maldonado has experienced a slowing of major investment projects under de los Santos. Congressman Rodriguez told emboffs that the lack of action by de los Santos on major investment projects does not bode well for the future infrastructure of Maldonado. According to Cardoso, numerous business plans submitted during de los Santos's tenure have gone unexamined. Attributing de los Santos' hesitation on approving projects to his supposed aversion to foreign investment, Cardoso worried that what he described as a systematic setback would discourage investment projects in the future.

¶9. (SBU) Biographical information: Oscar de los Santos, born February 17 1962, is a painter by trade. His mother was a domestic servant, father a factory worker, and he began working at age nine, though he managed to finish high school. He began his political career as a union leader for the construction workers union. Prior to his current position, he was a city council member for five years. He is married with two children.

Looking for Investment Opportunities

¶10. (SBU) Highly dependent on tourism and continued investment in tourism infrastructure, Maldonado has suffered from the lack of major investment projects and institutional obstacles over the last five years. Maldonado's congressmen presented emboffs with several ideas to diversify investment

to increase the economic potential of the province. Blueberry and olive production were among the product development ideas, as well as the construction of a new pier in Piedras del Chino, a nearby resort area. Colorado Party congressman German Cardoso supports traditional infrastructure projects, but emphasizes concerns about possible environmental impacts. He stated that the maritime ecosystem is fragile (one of the few places in the world where whales come to give birth), and that proceeding with development without environmental impact studies would be self-destructive, as much of the attraction to the department is nature-based. The National Party congressmen viewed alternative energy as a growth industry in Maldonado. They also had concerns about the environmental effects of development, specifically in regards to the municipality's construction of high rise buildings close to the shore line.

Security: A Major Concern

¶11. (SBU) Polls show public security to be top among concerns of the Uruguayan population, and increased population and vast wealth gaps between citizens make it a special challenge in Maldonado. National Party congressman Casaretto told emboffs that he had been a victim of six robberies, and other members of his campaign team had also been robbery victims. The National Party is emphasizing public security as the principal issue in their campaigns, in fact Casaretto's campaign slogan is: "Security is the most important issue."

¶12. (C) The congressmen's approach to improving security varied slightly, with the National Party congressmen consistently returning to their perception of a deteriorating social fabric. Their more conservative approach focused on improving education and reinserting morals through the education system. Cardoso has a somewhat radical plan of integrated security, a plan that would unite efforts of the police, military, firefighters, health workers and the general population.

Biographical Information

¶13. (SBU) German Cardoso is the sole Colorado Party congressman from Maldonado, part of Pedro Bordaberry's "Vamos Uruguay" faction. He has been a party member since 1994, and in the congress and city council since 2000. His private activity is in the tourism sector. He is young, energetic, and friendly.

¶14. (SBU) Nelson Rodriguez Servetto is relatively conservative National Party member, and a supporter of Lacalle. He was formerly the director of public works for Maldonado.

¶15. (SBU) Federico Casaretto is the founder of the "Renovacion del Partido Nacional" (Renovation of the National Party) faction, and a Larranaga supporter. He is completing his first term in the congress, though has worked in politics since age 24, starting as a staffer to National Party senator, Carlos Julio Pereyra. He is young (under 40) and idealistic with gubernatorial aspirations- public opinion polls show he has a good chance at becoming the next governor of Maldonado. He participated in the 2007 International Visitor Program, "Transparency and Good Governance for Municipal Leaders."

¶16. (SBU) Dario Perez is a medical doctor and a self-proclaimed maverick. He has been in congress since 1995, and is the leader of Cabildo 2000, a moderate Frente Amplio faction. From the town of San Carlos, famed for being one of only three towns in the country with a municipal government, he considers himself to be an honest, down-to-earth representative of his department. He was imprisoned during the military regime. Emboffs suspect that

his smooth charisma may be the key to his political success.

Comment

¶13. (C) As the electoral season continues, Maldonado will be a key state to watch. The lackluster performance by the ruling Frente Amplio municipal government and the resonating emphasis on public security by the National Party could prompt the state to turn to the National Party in the municipal and upcoming presidential elections, giving the National Party an important boost.

Matthewman